

SunEdison – Third Party Project Financing

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Frame the Discussion: REC Collective Action Problem

- Solar installers in the U.S. need Long Term REC contracts in order to finance solar
- Voluntary or compliance buyers want short term contracts and are buying RECs only to:
 - ❑ Meet RPS goal
 - ❑ Serve some voluntary mission
- Becoming more crucial to solar industry as rebates decrease across states
- **Investors require us to enter into long term REC contracts with creditworthy entities before we can install projects**

SRECs Key to Implementation of Solar in the U.S.

Who is SunEdison?

SunEdison is a solar **services** company that delivers predictably priced renewable electricity without capital outlays; created the solar PPA

- **Turnkey** – a complete service simplifying the entire customer process
- **Predictable**- fixed fuel costs for the power across 10-20 year term
- **Renewable** – grid connected PV power plants
- **Proven** - Technology agnostic, using the most reliable and cost effective PV that has stood the test of time



The SunEdison Bio

Founded in 2003 with the intention to...

- **Make solar a meaningful worldwide energy source**
- **Deliver electricity at or below existing retail prices**
- **We knew that many wanted solar on their roofs, but the ROI didn't meet their hurdle rates...**
...AND that there were investors with a tax appetite who wanted to own solar

The first provider in North America offering solar energy as a turn-key service via solar power services agreement

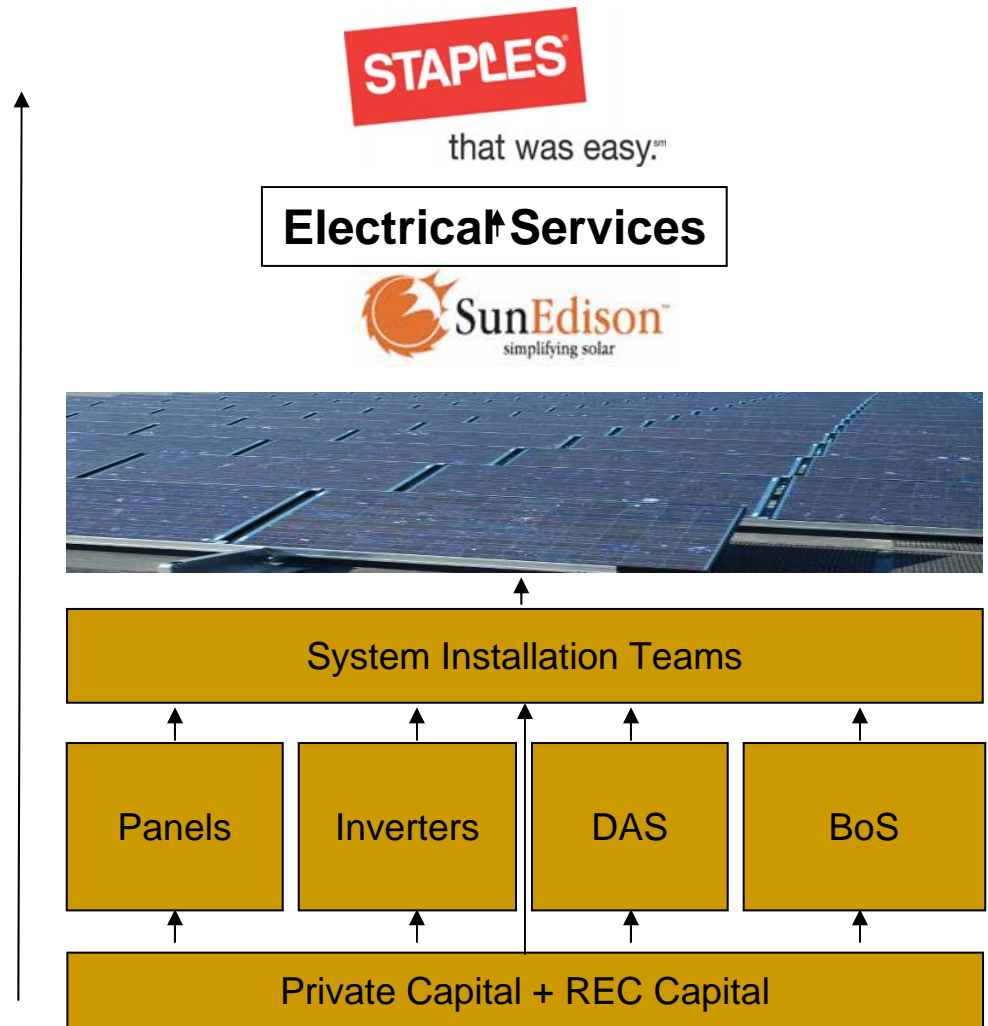
The strongest financial position of any solar energy service provider on the market

- **Over \$180M in arranged shelf financing**
- **Over \$30M in equity financing**
- **EBITDA + revenue growth for two years running**

SunEdison's Revenues

- Electricity Sales
- Federal Tax Credit, tax benefits
- State Rebates/ Performance based incentives
- RECs

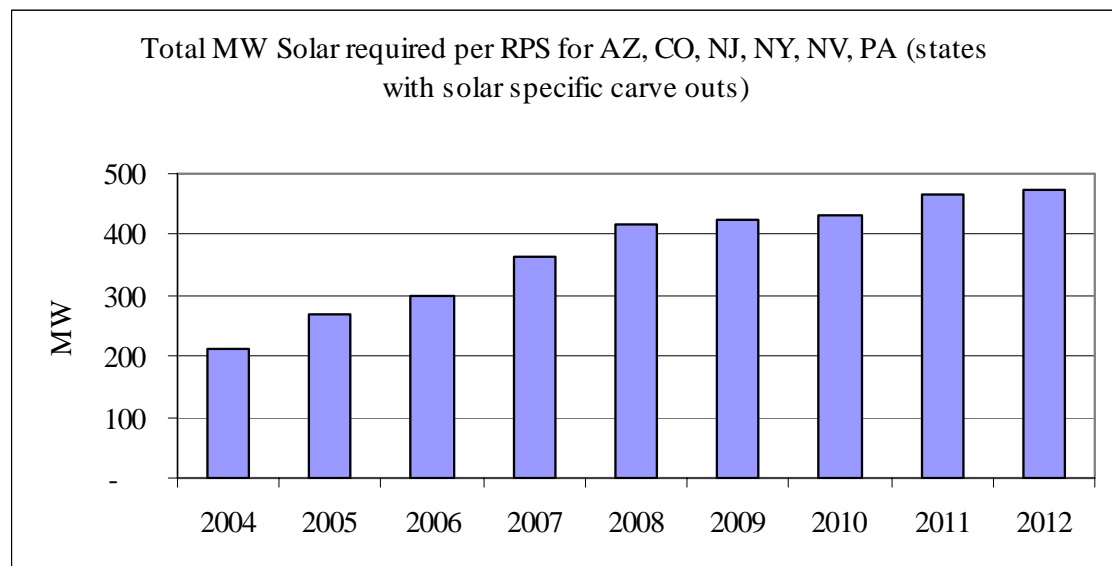
Each State has a different mix – but we can only finance solar in states that have the right mix of the above, which often includes...
...a *Liquid Renewable Energy Credit Market*



Compliance Markets – Solar Carve Out Key!

- If state requires a certain percentage of the renewable energy to come from solar energy, SRECs demand a higher premium over RECs from other sources.

- **Colorado**
- **New Jersey**
- **Pennsylvania**
- **New York**
- **Arizona**
- **Nevada**



These are the states where we'll be able to finance installations if legislation does not change elsewhere.

What our Investors Want- and next steps



- Scale
- No Technology Risk
- Creditworthy counterparties
- LONG TERM REC contracts
- Policy Certainty

TO DO:

- Standard form contracts (ABA/ACORE/EMA)
- Create new “pull” for RECs – voluntary, compliance (SREC carve outs)



A Few Samples of Our Installed Power Plants...



Seagull Lighting (2 facilities, 1MW)



Sicor Laboratories (404kW)



Staples Englewood (119 kW)



ICU Medical (475kW)



California State University Dominguez Hills (560kW)



Sure Save Storage (886kW)

SunEdison specializes in industrial and warehouse space